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**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
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**MEMORANDUM**

To: Members of the House Committee on Taxation  
From: Office of Revisor of Statutes  
Date: March 6, 2025  
Subject: Senate Bill No. 51 (As Introduced)

**Summary**

Senate Bill No. 51 provides a sales tax exemption for the construction or remodeling of a qualified data center in Kansas, the purchase of data center equipment, eligible data center costs and certain labor costs to qualified firms that commit to a minimum investment of \$250,000,000 and meet new Kansas jobs and other requirements.

Senate Bill No. 51 grants a qualified firm that makes an investment in a qualified data center of at least \$250,000,000 and creates and maintains at least 20 new jobs at the qualified data center within two calendar years after the commencement of operations shall receive a sales tax exemption.

A qualified firm seeking the sales tax exemption shall be required to submit an application to the Secretary of Commerce and enter into an agreement with the Secretary upon such terms and conditions as the Secretary may require, including the commitments or conditions required by the Secretary. The agreement shall be entered into before any sales tax exemption may be provided.

If it is determined by the Secretary that the qualified firm has breached a term or condition of the agreement, the Secretary shall provide written notice to the qualified firm as to which terms or conditions were breached and allow the qualified firm 120 days to cure the breached terms or conditions. If the breached terms or conditions have not been cured within such time, the Secretary may require the qualified firm to repay all or a part of the amount of the sales tax exemption received, terminate the sales tax exemption or suspend all or a part of the sales tax exemption until the breach is cured.

As a condition of receiving the sales tax exemption, a qualified firm is required to cooperate with audits undertaken by the Secretary of Revenue; and provide the Secretary of Commerce information required for publication in the economic development incentive program information database

Every five years, the Secretary may conduct a review of the activities undertaken by a qualified firm to ensure that the qualified firm remains in good standing with the state, is in

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compliance with the provisions of this act, any rules and regulations adopted by the secretary with respect to this act and any agreement entered into pursuant to this section and continues to meet the requirements for the sales tax exemption provided under this act. The secretary of commerce shall certify every five years to the secretary of revenue whether the qualified firm meets the criteria for designation as a qualified firm and is eligible for such sales tax exemption.

The sales tax exemption shall be valid:

- (1) For 15 years after the date of commencement of operations for qualified firms making an investment of at least \$250,000,000 in a qualified data center;
- (2) for 30 years after the date of commencement of operations for qualified firms making an investment of at least \$500,000,000 in a qualified data center; or
- (3) for 60 years after the date of commencement of operations for qualified firms making an investment of at least \$1,000,000,000 in a qualified data center.